

# STATE OF LOUISIANA LEGISLATIVE AUDITOR

**Calcasieu Parish School Board**  
Lake Charles, Louisiana

July 17, 2002



**Investigative Audit**

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**Daniel G. Kyle, Ph.D., CPA, CFE**  
**Legislative Auditor**

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# **Calcasieu Parish School Board**

**July 17, 2002**



**Investigative Audit  
Office of the Legislative Auditor  
State of Louisiana**

**Daniel G. Kyle, Ph.D., CPA, CFE  
Legislative Auditor**

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DANIEL G. KYLE, PH.D., CPA, CFE  
LEGISLATIVE AUDITOR

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July 17, 2002

**MR. JUDE W. THERIOT, SUPERINTENDENT,  
AND MEMBERS OF THE CALCASIEU  
PARISH SCHOOL BOARD**  
Lake Charles, Louisiana

Transmitted herewith is our investigative report of the Calcasieu Parish School Board - E.K. Key Elementary School and Ray D. Molo Middle School. Our examination was conducted in accordance with Title 24 of the Louisiana Revised Statutes and was performed to determine the propriety of certain allegations received by this office.

This report presents our findings and recommendations, as well as your response. Copies of this report have been delivered to the Honorable Robert Bryant, District Attorney for the Fourteenth Judicial District of Louisiana, and other authorities as required by state law.

Respectfully submitted,

A handwritten signature in cursive script, reading "Daniel G. Kyle".

Daniel G. Kyle, CPA, CFE  
Legislative Auditor

DGP:SLC:DKM:ss

[CALSB02]

# Executive Summary

## Investigative Audit Report Calcasieu Parish School Board

### ***Highlights. . .***

At least \$3,296 was not deposited for the Extended Day Program at E.K. Key Elementary School. Ms. Nancy Breaux, former director, recalls taking approximately \$1,000 of this money for her personal use.

At least \$19,905 in inventory and/or cash is missing from Roy D. Molo Middle School.

### ***Findings (See page 5.)***

#### E.K. Key Elementary School

From June 4, 2001, through March 5, 2002, cash collected by the E.K. Key Elementary School Extended Day Program was not deposited into the school's bank account. Ms. Nanci Breaux, former director of the Extended Day Program stated that she recalls taking approximately \$1,000 from the Extended Day Program for her personal use. School records indicate that at least \$3,296 was not deposited.

#### Ray D. Molo Middle School

For the period October 1, 1999, through February 28, 2002, concession stand revenues at Ray D. Molo Middle School (School) were short by \$19,905. Because of a lack of records and proper control, we were unable to determine why these revenues were either not collected or not deposited. Therefore, at least \$19,905 in inventory and/or cash is missing from the School.

### ***Recommendations (See page 9.)***

We recommend that the Calcasieu Parish School Board implement policies and procedures to ensure that all funds collected by individual schools are deposited properly and used for their intended purpose. These procedures, at a minimum, should require the following:

1. All school records should be maintained in accordance with the Louisiana Public Records Act.
2. All individuals receiving funds should prepare and maintain accurate records reflecting all funds collected.



3. The school bookkeeper should give each teacher or staff member a pre-numbered receipt when funds are turned in to the bookkeeper.
4. All collections should be deposited on a timely basis.
5. Collection records should be reconciled to deposit records in a timely manner.
6. Proper segregation of duties, whenever possible, so that individuals collecting funds directly from students and parents are not responsible for making their own deposits.
7. Principals should take an active oversight role in the financial operation of the school activity funds.

Finally, we recommend that the District Attorney for the Fourteenth Judicial District of Louisiana review this information and take appropriate legal action, to include seeking restitution.

### **Management's Response (*See Attachment I.*)**

Management concurs with the findings and recommendations and recognizes its responsibility to ensure that procedures are in place and followed by staff to properly safeguard the assets of the schools.

# Background and Methodology

A fifteen-member board governs the Calcasieu Parish School System with each member serving a concurrent four-year term. It is the responsibility of the School Board to make public education available to the residents of Calcasieu Parish, including instructional personnel, instructional facilities, administrative support, business services, operation and maintenance and bus transportation. The School Board provides a full range of public education services to grade levels ranging from pre-kindergarten through grade twelve. These include regular and enriched academic education, special education for handicapped children as well as vocational education.

The School Board is authorized to establish public schools, as it deems necessary to provide adequate school facilities for the children of the parish, to determine the number of teachers to be employed and to determine the local supplement to their salaries. Accordingly, the School Board is not included in any other government reporting entity since the School Board members are elected by the public and have decision-making authority, the power to designate management, the ability to significantly influence operations and primary accountability for fiscal matters.

The Internal Audit Department of the Calcasieu Parish School Board discovered certain improprieties at the E.K. Key Elementary School and the Ray D. Molo Middle School. As a result, the Legislative Auditor was notified by the School Board and assisted the Internal Audit Division in a joint investigative audit of the alleged improprieties. We acknowledge the assistance provided this investigation by Superintendent Jude W. Theriot and his staff.

The procedures performed during this investigative audit consisted of (1) interviewing employees and officials of E.K. Key Elementary School and Ray D. Molo Middle School; (2) interviewing other persons as appropriate; (3) examining selected documents and records of the schools; (4) making inquiries and performing tests to the extent we considered necessary to achieve our purpose; and (5) reviewing applicable state laws.

The results of our investigative audit are the findings and recommendations herein.





# Findings

## **E.K. Key Elementary School**

From June 4, 2001, through March 5, 2002, cash collected by the E.K. Key Elementary School Extended Day Program was not deposited into the school's bank account.

Ms. Nanci Breaux, former director of the Extended Day Program, stated that she recalls taking approximately \$1,000 from the Extended Day Program for her personal use. School records indicate that at least \$3,296 was not deposited.

The Extended Day Program (Program) provides after school care for children attending E.K. Key Elementary. Ms. Nanci Breaux worked as the director for the Program beginning in September of 2000. Her duties were to keep the books, maintain records, and make deposits.

Receipts are written when Program workers receive payments from parents or caretakers. The written receipts indicate that at least \$3,296 was collected in cash but was not deposited into the school's bank account. Ms. Breaux admitted that she took money from the Program. Ms. Breaux stated that she would repay the entire amount, although she only remembers taking less than \$1,000.

**Ms. Breaux, former director of the Program, admitted that she took money from the Program for her personal use.**

By taking cash from the Program for personal use, Ms. Breaux may have violated one or more of the following state laws:

- R.S. 14:67, "Theft"<sup>1</sup>
- R.S. 14:134, "Malfeasance in Office"<sup>2</sup>

The actual determination as to whether individuals are subject to formal charge is at the discretion of the district attorney.

## **Ray D. Molo Middle School**

For the period October 1, 1999, through February 28, 2002, concession stand revenues at Ray D. Molo Middle School (School) were short by \$19,905. Because of a lack of records

<sup>1</sup> R.S. 14:67 provides, in part, that theft is the misappropriation or taking of anything of value which belongs to another, either without the consent of the other to the misappropriation or taking, or by means of fraudulent conduct, practices, or representations.

<sup>2</sup> R.S. 14:134 provides, in part, that malfeasance in office is committed when any public officer or public employee shall (1) intentionally refuse or fail to perform any duty lawfully required of him, as such officer or employee; (2) intentionally perform any such duty in an unlawful manner; or (3) knowingly permit any other public officer or public employee, under his authority, to intentionally refuse or fail to perform any duty lawfully required of him or to perform any such duty in an unlawful manner.

and proper control, we were unable to determine why these revenues were either not collected or not deposited. Therefore, at least \$19,905 in inventory and/or cash is missing from the School.

In August of 1998, Ray D. Molo Middle School closed its concession stand and switched to full-contract vending machines at the recommendation of the Internal Auditor for the Calcasieu Parish School Board (School Board). However, in October 1999, the concession stand was reopened by the school's principal Mr. Johnnie Mouton, and the school's assistant principal, Mr. Thomas Archinard. According to Mr. Mouton, he and Mr. Archinard decided to reopen the concession stand because the school was not making money from contract vending. Neither the Internal Auditing Department nor the administrative director was notified that the concession stand was reopened.

The total retail value of inventory available for sale in the concession stand during the period October 1, 1999, through February 28, 2002, was approximately \$42,354; however, actual deposits into the School's bank account for concession stand sales totaled only \$22,449. Therefore, at least, \$19,905 in inventory and/or cash is missing from the School for that period.



Mr. Archinard stated that he designed a daily tally sheet to keep track of concession stand inventory sold and money collected. The tally sheet was designed to be filled out by the concession stand workers and then submitted to Ms. Valencia Guidroz, bookkeeper, for the School. Ms. Guidroz claimed she quit using the tally sheets because the concession stand workers complained that it was burdensome. However, the concession stand workers stated that the tally sheet was a good idea and provided a means of keeping track of how many items were sold and how much money was collected.

Ms. Guidroz did not inform the principal or the assistant principal that she was discontinuing use of the tally sheet. In addition, the completed tally sheets submitted to Ms. Guidroz by the concession workers are missing. Ms. Guidroz was responsible for making all deposits to the School's bank account. Ms. Guidroz stated that there were no missing funds and if there were she would have reported them.

**The completed tally sheets submitted to Ms. Guidroz by the concession workers are missing.**

The Louisiana Public Records Act<sup>3</sup> states, in part, that all public records in the custody or control of a public body shall be preserved and maintained for a period of at least three years from the date on which the public record was created. Had the tally sheets been maintained in accordance with the Louisiana Public Records Act, the Legislative Auditor would have been able to determine whether inventory or cash was missing from the School. These tally sheets could have also been used to determine the individual or individuals responsible for the missing inventory and/or cash.

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<sup>3</sup> R.S. 44:36, "Louisiana Public Records Act"





# Recommendations

We recommend that the Calcasieu Parish School Board implement policies and procedures to ensure that all funds collected by individual schools are deposited properly and used for their intended purpose. These procedures, at a minimum, should require the following:

1. All school records should be maintained in accordance with the Louisiana Public Records Act.
2. All individuals receiving funds should prepare and maintain accurate records reflecting all funds collected.
3. *The school bookkeeper should give each teacher or staff member a pre-numbered receipt when funds are turned in to the bookkeeper.*
4. All collections should be deposited on a timely basis.
5. Collection records should be reconciled to deposit records in a timely manner.
6. Proper segregation of duties, whenever possible, so that individuals collecting funds directly from students and parents are not responsible for making their own deposits.
7. Principals should take an active oversight role in the financial operation of the school activity funds.

Finally, we recommend that the District Attorney for the Fourteenth Judicial District of Louisiana review this information and take appropriate legal action, to include seeking restitution.



# Attachment I

## Management's Response

**Calcasieu**  
**PARISH SCHOOL SYSTEM**  
JUDE W. THERIOT, SUPERINTENDENT

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RE: E.K. Key Elementary School and Ray D. Molo Middle School

email:  
jude.theriot@cpsb.org

Dear Dr. Kyle:

Management concurs with the findings and recommendations outlined in this report. Further, management recognizes its responsibility to ensure that procedures are in place and followed by staff to properly safeguard the assets of the schools.

Sincerely,



Jude W. Theriot  
Superintendent

C: James Spruel, Assistant District Attorney